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## BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2006 SEP 28 P 2:26

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AZ CORP COMMISSION  
DOCUMENT CONTROL

## IN THE MATTER OF:

DOCKET NO. S-20442A-06-0110

Mid America Energy, Inc.,  
a Nevada Corporation  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Mid America Oil & Gas  
A Tennessee Limited Liability Company  
2023 Earl Pearce Cir.  
Mount Juliet, TN 37122-1328

Gary M. Milby a.k.a  
Gary Moss Milby a/k/a  
Gary M. Milby and  
Wanda Milby  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Jim and Rita Whatcott,  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

John and Lucille Blitz  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Clinton Goff a/k/a Clint Goff,  
an unmarried man  
321 Victor Reiter Parkway  
Portland, TN 37148

Warren Exploration, LLC  
A Nevada Limited Liability Company  
321 Victor-Reiter Parkway  
Portland, TN 37148

Energy Marketing, Inc.  
A Nevada Corporation  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Respondents.

Arizona Corporation Commission

**DOCKETED**

SEP 28 2006

DOCKETED BY

**EIGHTH**  
**PROCEDURAL ORDER**

1 **BY THE COMMISSION:**

2 On February 28, 2006, the Securities Division ("Division") of the Arizona Corporation  
3 Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of  
4 Opportunity for Hearing ("Notice") against Mid America Energy, Inc. ("MAE"), Mid America Oil &  
5 Gas ("MAO&G"), Gary M. Milby a/k/a Gary Moss Milby a/k/a Gary M. Milley and Jane Doe Milby,  
6 husband and wife, Jim and Jane Doe Whatcott, husband and wife, John and Jane Doe Blitz, husband  
7 and wife (collectively "Respondents"), in which the Division alleged that the Respondents committed  
8 multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of  
9 securities in the form of investment contracts. As a result of the T.O., the Respondents were  
10 immediately ordered to cease and desist from violating the Act.

11 Respondents were duly served with copies of the Notice.

12 On March 27, 2006, Respondents filed a request for hearing. Answers were also filed.

13 On March 28, 2006, by Procedural Order, a pre-hearing conference was scheduled for April  
14 20, 1006.

15 On April 20, 2006, at the pre-hearing, the Division and Respondents appeared with counsel.  
16 After a brief discussion of the issues raised by the T.O. and Notice, the parties agreed that another  
17 pre-hearing be scheduled.

18 On April 21, 2006, by Procedural Order, another pre-hearing conference was scheduled for  
19 July 18, 2006.

20 On July 18, 2006, the Division and Respondents appeared through counsel. The Division  
21 indicated that a parallel proceeding may be brought and the T.O. and Notice may be amended. The  
22 Division and the parties stipulated to a hearing being scheduled in October. By Procedural Order, a  
23 hearing was scheduled to commence on October 24, 2006.

24 On August 14, 2006, the Division filed a Motion to Amend the T.O. and Notice ("Motion").  
25 Attached to the Motion as Exhibit "A" was a copy of the Proposed First Amended T.O. and Notice  
26 which corrects the names of the spouses of certain previously named Respondents, names additional  
27 Respondents, and adds additional allegations. There have been no objections filed to the Division's  
28 Motion.

1 On September 6, 2006, by Procedural Order, the Division's Motion was granted and the  
2 Division was ordered to file and serve the Amended T.O. and Notice upon all parties and the  
3 additional named Respondents.

4 On September 8, 2006, the Division filed the Amended T.O. and Notice. The Division also  
5 filed a Motion to Continue the Administrative Hearing previously scheduled for October 24 and 25,  
6 2006, requesting that at least three days be allocated for any new hearing that is scheduled. The  
7 Division further requested the exchange of witness lists and copies of exhibits by the parties be  
8 delayed in light of the Division's Motion to Continue.

9 On September 12, 2006, by Procedural Order, the Division's Motion to Continue was granted  
10 and the exchange of witness lists and copies of exhibits was ordered held in abeyance pending the  
11 rescheduling of the hearing. The Division was further ordered to file certification of service upon the  
12 additional parties to the proceeding after which further proceedings would be scheduled.

13 On September 22, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Gary Milby filed what  
14 was captioned "Notice of Withdrawal As Counsel of Record" ("Withdrawal Notice"). The  
15 Withdrawal Notice neither complies with A.A.C. R14-3-104 nor E.R. 1.16. The Commission's Rule  
16 and the Rules of Professional Conduct of the Arizona Supreme Court should be complied with to  
17 properly withdraw from the proceeding.

18 On September 26, 2006, by Procedural Order, counsel for MAE, MAO&G and Mr. and Mrs.  
19 Milby was ordered to file an application to withdraw which establishes good cause consistent with  
20 A.A.C. R14-3-104 and E.R. 1.16 and to provide reasonable notice to their clients of their intended  
21 action.

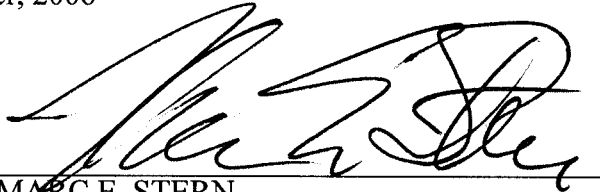
22 On September 27, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Milby filed an  
23 application to withdraw as counsel of record which meets the requirements of A.A.C. R14-3-104 and  
24 E.R. 1.16.

25 Accordingly, counsel for MAE, MAO&G and Mr. and Mrs. Milby should be permitted to  
26 withdraw from the proceeding.

27 IT IS THEREFORE ORDERED that counsel for Mid America Energy, Inc., Mid America Oil  
28 and Gas, and Mr. and Mrs. Milby is hereby granted leave to withdraw from this proceeding.

1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 Dated this 28<sup>TH</sup> day of September, 2006

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MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

7  
8 Copies of the foregoing mailed/delivered  
this 28 day of September, 2006 to:


9 Don Bivens  
10 Paul L. Stoller  
11 SNELL & WILMER  
12 One Arizona Center  
400 East Van Buren  
Phoenix, AZ 85004

13 Mid-America Energy, Inc.  
14 Mid-America Oil & Gas, LLC  
15 Gary M. Milby  
129 Haven Street, Unit A  
Hendersonville, TN 37075

16 Michael R. Ross  
17 GALLAGHER & KENNEDY  
2575 E. Camelback Road  
Phoenix, AZ 85016  
18 Attorneys for Mr. and Mrs. Jim Whatcott  
and Mr. and Mrs. John Blitz

19 Matt Neubert, Director  
20 Securities Division  
ARIZONA CORPORATION COMMISSION  
21 1200 West Washington Street  
Phoenix, AZ 85007

22  
23 By:

  
24 Molly Johnson  
25 Secretary to Marc E. Stern  
26  
27  
28